

## THE JACOBS REPORT

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### LEGISLATURE FINISHES BUDGET

#### 2006-07 Reports Sail Through House, Senate

It was one of the smoothest budget sessions in recent memory. There were no all-night struggles, no controversial negotiations, and no desperate vote trading. In one efficient, if uneventful, day, the Legislature completed work on the 2006-07 budget.

Only a few of the budgets generated comment as conference reports were adopted. The capital outlay budget remains incomplete, but that is not without precedence: it is not unusual for capital outlay to be completed past the October 1 start of the fiscal year.

This year's budget process was the last for Senate Appropriations Committee chair Sen. Shirley Johnson (R-Troy). Sen. Johnson is term-limited from running for re-election, and between her time on the House Appropriations Committee and the Senate panel has worked on 24 budgets. Senate members and staff showed their appreciation with a standing ovation at the conclusion of session.

Below are some highlights of the 2006-07 Budget:

**COMMUNITY HEALTH:** The budget stipulates that Wayne County Community Mental Health agency administrative functions will be cut by more than \$3 million a month unless it reorganizes as an authority by the end of the year.

After a brief debate whether the cuts would impact "vulnerable patients" or "bloated staff," the budget passed with only 9 votes against it.

The total budget, which is also about \$30 million below the current year's appropriation, makes no changes in eligibility for Medicaid recipients.

**HIGHER EDUCATION:** This year featured the first actual increase in funding for the state's 15 public four-year colleges since the 2001-02 budget.

The budget totals \$1.787 billion in total spending, with \$1.6 billion in general funds. The largest individual percentage university increases in funding go to those schools officials have said received the lowest per pupil expenditures: Grand Valley State University, Saginaw Valley State University and Oakland University.

Grand Valley's overall increase totaled 6 percent. The lowest increases were allocated to Wayne State University and Michigan Technological University.

**SCHOOL AID:** The state's largest single budget includes a \$210 per pupil increase in the foundation allowance. It passed the Senate on a 36-1 vote and in the House on a 103-3 vote.

**CORRECTIONS:** The new budget includes funding to hire 46 new parole agents (which has taken on greater urgency since a former parolee released in error confessed to committing three murders earlier this year).

Health care funding for prisoners was increased by 11 percent over the current fiscal year and now totals 10 percent of the budget.

**EDUCATION:** The conference report was approved unanimously by the Senate on a 37-0 vote and in the House on a 105-0 vote. The new budget totals \$90.7 million.

## **GOVERNOR, CHARTER ONE ANNOUNCE ePrize GROWTH**

### **Michigan Nets 450 New Jobs**

Governor Jennifer Granholm and Sandra Pierce, president and CEO of Charter One Bank, Michigan, announced that ePrize, an interactive promotion agency based in Pleasant Ridge, is expanding with the help of the Charter One Job Creation Loan Program. The initiative is part of the governor's comprehensive Jobs Today, Jobs Tomorrow economic plan and offers below-market rate loans to companies that commit to creating or expanding jobs in Michigan.

The governor and Charter One announced the program in February 2006 as a way to create 5,000 new jobs in the state over the next three years by helping companies expand their operations or relocate to Michigan.

ePrize, the world's largest international, interactive promotions agency, will borrow \$10 million to expand the company's workforce to accommodate growing demands for the company's services. Under the terms of the low 4.99 percent loan and through their own efforts, ePrize will create 450 new, full-time jobs over the next three years.

"Access to capital is critical for growing companies like ePrize who are looking to expand and create jobs in Michigan," Granholm said. "These loans are providing access to that capital and are an important piece of my economic plan to grow Michigan's economy, to keep the jobs we already have, and to attract new jobs and investment to the state."

With offices in Detroit, Chicago, New York, Los Angeles, Dallas and London, ePrize designs and manages programs that create relationships between customers and brands. Founded in 1999, ePrize has developed and managed more than 2,200 campaigns in 36 countries for some of the world's most recognized brands, including Coca-Cola, P&G, DaimlerChrysler, and Dell.

"Charter One is proud to support ePrize's continued growth in our state, and we commend the company for its vision and commitment to job creation," Pierce said. "ePrize is an impressive company poised for continued growth and success."

ePrize will expand its team of technical experts, creative directors, administrative and operational staff to 680 in Michigan and 750 globally by 2009. The company's promotions provide actionable customer profiles that turn data into dollars for clients and their agencies.

"Through Charter One's program and additional organic growth, ePrize will be able to triple its staff size and augment Michigan's knowledge-based economy," said Josh Linkner, CEO of ePrize. "The loan enhances ePrize's reputation as one of the nation's top interactive agencies and allows us to help Michigan boost its reputation as a great place to do business in the high-tech arena."

Charter One is offering \$200 million in loan funds at below-market interest rates to companies creating jobs or expanding in Michigan. The Charter One Job Creation Loan Program requires borrowers to create a minimum of one full-time job for every \$40,000 borrowed at the fixed interest rate of 4.99 percent (currently 3.26 points

below prime). The minimum loan size is \$1 million and the maximum is \$10 million. Companies eligible for the program include any public or privately-owned business in a broad array of industry sectors, including manufacturing, distribution centers, emerging sectors, and the 21st Century Jobs Fund competitive-edge technologies: life sciences; alternative energy; advanced automotive, manufacturing and materials; and homeland security and defense.

The Michigan Economic Development Corporation (MEDC) is marketing the unique program to companies already in Michigan and those businesses considering relocating to the state. MEDC administers the loan program and will conduct annual audits to certify that borrowers fulfill job creation commitments.

Companies interested in obtaining more information about the program can log on to [www.michigan.org](http://www.michigan.org) or contact the MEDC at 888-522-0103.

### **About ePrize, LLC**

As the industry leader of interactive promotions, ePrize has developed and managed more than 2,200 campaigns in 36 countries for the world's most recognized brands. ePrize has successfully launched promotions for top advertisers, including Coca-Cola, American Express, Harrah's, General Motors, The Home Depot, Yahoo!, The Gap, Palm, Ford, Northwest Airlines, Unilever, P&G, Warner Brothers, Dell, and Subway.

ePrize designs and manages powerfully effective programs that create relationships between customers and brands and motivate specific consumer behavior. Its promotions create actionable customer profiles that turn data into dollars for clients and their agencies. The company has offices in Detroit, New York, Chicago, Los Angeles, Dallas, and London. For more information visit [www.eprize.com](http://www.eprize.com).

### **About Charter One Bank, N.A.**

Charter One Bank, N.A., is a \$41 billion bank operating in Illinois, Indiana, Michigan and Ohio. It has 480 branches and more than 800 ATMs. It has 120 branches and 135 ATMs in Michigan. Charter One is a subsidiary of Citizens Financial Group, Inc., a \$155 billion commercial bank holding company headquartered in Providence, R.I. Citizens has more than 1,600 branches, approximately 3,700 ATMs and more than 26,000 employees in a 13-state retail branch network and has non-branch retail and commercial offices in about 40 states. Citizens is the eighth-largest commercial banking company in the United States ranked by deposits as of September 30, 2005. Citizens is owned by RBS (The Royal Bank of Scotland Group plc). The Charter One Web site is [charterone.com](http://charterone.com).

## **AUGUST ARTS & CULTURE CALENDAR**

### **Oakland County Family Events & Festivals**

#### **August 3**

#### **Jeremy Kittel Acoustic Trio**

Stars in the Park Free Summer Concert Series

Heritage Park

City of Farmington Hills Cultural Arts Programs

Farmington Hills, Michigan 48336

Telephone: 248.473.1857

#### **Southfield Presents the Eat to the Beat**

#### **Summer Lunch Concert Series**

**12:00 2:00 P.M.**

**City Centre Plaza located on Central Park Boulevard**

August 3rd

The Orbitsuns (Rockabilly)

August 10th

HotSauce (Pop, Funk & Motown)

August 17th

Motor City Street Band (New Orleans-style brass band)

August 24th

Ed Nuccilli & Plural Circle (18-piece BeBop orchestra)

August 31st

Orquesta Sensacional (Hot Latin band)

**August 10**

**Farmington Community Chorus**

**Stars in the Park Free Summer Concert Series**

Heritage Park

City of Farmington Hills Cultural Arts Programs

Farmington Hills, Michigan 48336

Telephone: 248.473.1857

**August 23 - September 4th**

**Michigan State Fair**

Detroit, Michigan

Telephone: 313.369.8250

## **WIT, WISDOM, AND QUOTE OF THE WEEK . . .**

### **Quotables**

The true art of memory is the art of attention.”

-Samuel Johnson, quoted in the *Houston Chronicle*

“The only reason some people get lost in thought is because it’s unfamiliar territory.”

-Actor Paul Fix, quoted in the *Lansing State Journal*

### **Quote of the Week: Erma Bombeck**

“Seize the moment. Remember all those women on the Titanic who waved off the dessert cart.”

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All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

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State Senator Gilda Jacobs represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengiacobs@senate.michigan.gov](mailto:sengiacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.

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